

# Antecedents of Consumer's Purchase Intention of Counterfeit Luxury Product

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## Abstract

This study analyzed the influential factors of consumers' purchase intention towards counterfeit luxury products by considering the model of social status, integrity, and novelty seeking. Attitude towards counterfeit product was used as a mediator in the model. The causalities in the model of problematic purchase intention of consumers toward counterfeit luxury products are hypothesized. A total sample of 400 respondents with 385 effective samples was collected by distributing self-administered questionnaires to people from different sectors. Structural Equation Modeling (SEM) through AMOS was adopted for the analysis. Consumers' attitude towards counterfeit product was found to be positively and significantly related to purchase intention of counterfeit product. As for personality constructs, social status and novelty seeking were found to be positively related to attitude and purchase intention of counterfeit product while integrity did not show significant relationship with purchase intention. These results contribute towards marketing as a subject by advocating the theory used in this study and providing different results which have implications for academicians and managers.

**Keywords:** Counterfeit, Social Status, Integrity, Novelty Seeking, Purchase Intention

## 1. Introduction

People purchase products or services to satisfy their needs and intention to purchase a particular product is shaped by many factors. Today's world is surrounded by number of brands that produce different products and they are usually expensive. In response to this situation, manufacturers have started making counterfeits of original brands, which are easily available in the markets and at an affordable cost. There are number of factors that motivate people to buy these counterfeit products. According to Carrara and Soavi (2010), a product is a counterfeit product only if it has been produced with the intention to convince someone else that it has historical property which it actually does not possess.

Counterfeiting is the sale and production of fake products which look similar to original products, have been spreading at an alarming rate across the globe (Penz and Stottinger, 2005). Counterfeiting is of two types which is deceptive and non-deceptive counterfeiting. When customer does not know whether he/she is buying a genuine product or fake, they are becoming victim of deceptive counterfeiting, on the other hand when the customer knowingly purchase a fake or counterfeit product, he/she is engaging in non-deceptive counterfeiting which happens often in luxury fashion brands (Maman, 2008). Whether a customer purchases a counterfeit brand or not depends on his/her purchase intention, while that intention is in turn developed by attitude and some other related factors. Thus, this lies in relation to study of Liao and Hsieh (2013) stating that attitude towards counterfeit product leads to purchase intention of a counterfeit product.

This study focuses on the "Theory of Reasoned Action" which states that person's attitude about subjective norms and behavior develops behavioral intention which turns into actual behavior. Therefore, positive attitude towards buying counterfeit product is expected to affect customers purchase intention positively (Yoo and Lee, 2009).

A number of predictors of counterfeit product purchase intention have been identified including, value consciousness, social costs and anti-big business (Carpenter and Edwards, 2013), product, price, place/situational factors and advertisement (Stravinskiene et al., 2013), social factors and personality factors (Hidayat and Diwasasri, 2013), product involvement, brand image and price advantage (Huynh and Wilson, 2014), Attitude towards buying counterfeit product plays mediating role (Chaudary et al., 2014).

Counterfeiting is a massive business and it is not difficult to get these products whether they may be clothes, watches, software and many others. The problematic thing is that buying and selling of these products is taking place in open environment along with genuine products which is hurting original manufacturers badly. Counterfeiting is an activity that has existed in the Pakistani market for a long time now but this activity is not the real problem that needs to be solved. The real issue and area of interest is the customer's demand for counterfeit products because people know that these counterfeit products are of bad quality but they still purchase them, is price the only factor? Or are there other underlying factors? Factors that influence counterfeit products purchase intention have been investigated in this study and this allows us to understand why counterfeit products market has been growing in the recent past.

*This research aspires to study the domains of social status, integrity, novelty seeking, attitude towards counterfeit product, and purchase intention of counterfeit product and linkages among these variables, to*

*establish and explore the causal relationships and influences of these variables on each other. Hence, this study aims to answer the following main question and its related sub-questions: "What is the impact of social status, novelty seeking, and integrity on purchase intention of counterfeit product with the mediating role of attitude towards counterfeit product?"*

*Pakistan is a big market for counterfeit products but the amount of research work done in Pakistan on either side, supply or demand is insufficient. This was a cross-sectional study which was carried out on counterfeit luxury product i.e. clothing. The sampling used for this purpose was purposive sampling which is a non-probability technique. Future studies should also focus on wide array of other counterfeit products which involve technology related products.* There have been number of studies conducted in the literature on purchase intention of counterfeit products but these studies have been mainly limited to countries such as Singapore, Taiwan, China, and Brazil (Wang et al., 2005; De Matos et al., 2007; Phau and Teah, 2009). The work done in Pakistan regarding the demand factors of counterfeit products have been scarce and this created gap for this study. Relationships developed among variables of interest in this study were adapted from an exploratory study conducted by Shafique et al., (2015).

## **2. Literature Review**

### **2.1 Social Status**

Social status is a position of an individual in a society. Social norms were found to be one of the factors that has impact on customer's willingness to purchase illicit products (Tang et al., 2014). A study conducted in US amongst immigrants showed that if immigrant has stronger affiliation with his/her ethnic culture, the more likely he/she will purchase a high priced branded product to show his/her social status (Kwak and Sojka, 2010). According to Husic and Cicic (2009), snob appeal influences people to buy exclusive items in an attempt to distinguish themselves from other people. *A paper examined the individual differences among students on two constructs materialism and status consumption across three countries USA, China and Mexico, students showed different responses to materialism in each country but statistically status consumption did not show different results in each country. Therefore, researchers are of the view that regardless of the country and its situation people look for status goods and so international marketers can increase their market share by targeting such markets (Eastman et al., 1997). In UK, it is a common practice to purchase and consume counterfeit goods across wide range of age, gender and socio-economic status categories and consumption of counterfeit goods occur at specific places and within their social surroundings (Rutter and Bryce, 2008).*

A qualitative study was conducted in China to see why people consume counterfeit brands and following reasons were pointed out by researchers, people get positive social image by consuming counterfeit and they also get psychological benefit and value (Jiang and Cova, 2012). A study carried out among Indonesian consumers found out that past purchases and personal characteristics were significant predictors of counterfeit product purchase intention while hedonic benefits did not have any significant relation with willingness to purchase counterfeit product (Triandewi and Tjiptono, 2013). Mason (2000) pointed out an issue of greater demand for status goods due to conspicuous consumption which was threat to long term economic growth because people are too much inclined to improve their social standings and prestige and thus they overspend their income on status goods. Materialism is positively influenced by status consumption motivation, getting opinion from people who have knowledge, shopping time, and money spent, people with high materialism not only judge others by their possessions but also influence people in the marketplace (Fitzmaurice and Comegys, 2006).

H1: Social status affects purchase intention of counterfeit product

H1a: Social status affects attitude towards counterfeit product

H1b: Attitude towards counterfeit product mediates the relationship between social status and purchase intention of counterfeit product

### **2.2 Integrity**

When customers feel that buying any counterfeit product does not cause harmful effects to anyone in the society then they feel that their purchase behavior is ethically correct and this feeling motivates them to purchase counterfeit products (Tang et al., 2014). According to Kim and Johnson (2014), people who view themselves as 'independent' look at counterfeit product purchase as morally wrong when such a product is associated with pride, while on the other hand when individuals view themselves as 'interdependent' they feel such a purchase is morally wrong when it is associated with shame. Indonesian customers were of the view that it was morally wrong to purchase illegal copies of CD's and pirated software and hence they developed negative attitude towards such a behavior (Arli et al., 2015). A research conducted amongst Malaysian people who do not use counterfeit products to know the underlying reasons of their non-usage and integrity was found to be one of the important factors (Harun, 2012). According to Liao and Hsieh, (2013) ethics and consuming a product to achieve status were found to be negatively influencing consumer's purchase intention of counterfeit smartphones.

Integrity is being honest, fair and having strong moral principles. According to Rahpeima et al., (2014), integrity was found to be significantly and negatively related with attitude towards counterfeit product. A study conducted amongst Chinese consumer's showed that integrity did not influence attitude towards pirated software (Wang et al., 2005). A web based survey was conducted amongst students and two factors were found to have increased student's complicity towards counterfeit products that were hedonic benefits and lack of ethical concern among students (Chaudhry and Stumpf, 2011). *Data collected from undergraduate students of a university showed that materialism, consumer ethical beliefs, consumer vanity characteristics and attitude towards counterfeit has significant impact on consumer's willingness to purchase counterfeit (Jun et al., 2012).*

H2: Integrity influences purchase intention of counterfeit product

H2a: Integrity influences attitude towards counterfeit product

H2b: Attitude towards counterfeit product mediates the relationship between integrity and purchase intention of counterfeit product

### 2.3 Novelty Seeking

Novelty seeking refers to the fact that individuals keep on storing new information for future uncertainty and based on this information they keep on trying new things (Hirschman, 1980). A study carried out among Chinese consumers in university premises showed that novelty seeking plays an important role in building their attitude to buy pirated software and they feel as software become outdated quickly so it is better to buy cheap pirated version (Wang et al., 2005). A study conducted in Vietnam showed that novelty seeking is negatively related with product category repurchase behavior which means that people having change seeking behavior tend to keep on trying new products (Tuu and Olsen, 2013). Novelty seeking positively influences consumer's evaluation of illicit products (Abid and Abbasi, 2014). A study conducted in Ghana showed that novelty seeking, price consciousness, integrity, and status consumption were main factors in influencing consumer's attitude towards purchasing counterfeit textile products (Ghartey and Mensah, 2015). McQuiston (1989) found that novelty and importance of purchasing a particular product played an important role in describing industrial purchase decisions.

*It is not necessary that consumers who have innovative personality will always easily adopt new product instead this relationship is mediated by couple of variables such as modeling and engagement in word of mouth (Im et al., 2007). According to a study conducted in China among young people showed that people who care for hedonic values are influenced to show novelty seeking behavior (Wang et al., 2000). Several experiments are conducted to understand behavioral patterns of consumers regarding newly introduced items, results show that people try new things even when they know that these things are less preferred by them and will not give them full enjoyment but they do so just for the sake of novelty seeking (Ratner et al., 1999).*

H3: Novelty seeking influences purchase intention of counterfeit product

H3a: Novelty seeking influences attitude towards counterfeit product

H3b: Attitude towards counterfeit product mediates the relationship between novelty seeking and purchase intention of counterfeit product

### 2.4 Attitude towards Counterfeit Product

According to Jackman and Lorde (2014), attitude and some other factors develop intention regarding whether an individual will purchase a digital product or pirate it. In another study it was found that favorable attitude towards music piracy leads to negative influence on consumer's willingness to try subscription-based music services (Cesareo and Pastore, 2014). Personal values such as self-direction, enjoyment, and self-achievement have been found to be positively influence attitude towards e-shopping and this leads to ultimate behavior as well, mediating relationship between personal values and behavior was also found (Jayawardhena, 2004). *Positive attitude towards counterfeit leads to increased purchase intention of counterfeits and it significantly affects the final behavior (Cheng et al., 2011). Grey market activities are not only limited to less developed countries but it has expanded in the recent past to well developed countries as well, comparison between price and quality and trying to reduce risk negatively influence consumer attitude towards counterfeit market (Huang et al., 2004).*

Attitude plays a significant mediational role between predictor variables i.e. previous experience, price-quality inference, personal gratification, perceived risk, subjective norm and integrity and criterion such as purchase intention of counterfeit, previous experience does not have direct relationship with purchase intention but only through attitude (Matos et al., 2007). Previous experience of counterfeit products develop positive attitude towards repeat purchase of counterfeit, people do not think that they have done anything wrong rather they feel that the product was as good as the original one, researcher is of the view that consumer education can improve this situation to overcome counterfeiting (Norum and Cuno, 2011).

H4: Attitude towards counterfeit product has impact on purchase intention of counterfeit product

### 3. Methodology

Data was collected through a self-administered questionnaire consisting of measures adopted from earlier studies. Sample for the study consists of lecturers and students in the university, teachers from school and employees of two banks from Multan. Sample was selected through purposive sampling technique. Four hundred respondents were contacted for data. Three hundred and eighty-five responses were received, yielding a response rate of 96%. The respondents were briefed about the study before handing over the questionnaires to them. Data was analyzed through Structural Equation Modelling in AMOS.

#### 3.1 Sample and Procedure

This study's target population consisted of individuals who have completed their graduation. For this study the technique of purposive sampling has been used. This technique of sampling has been well supported by researchers when major sampling considerations are representativeness or comparability and sampling unique or special cases (Teddlie and Yu, 2007; Guarte and Barrios, 2006). According to Devers and Frankel (2000), purposive sampling is often used after taking a look at the goals and logic of the study, strategies are developed to enhance understandings for individuals or cases selected or for developing theories or concepts, researchers use purposive sampling to select "information rich" individuals or cases that provide greater insight into research questions. Devers and Frankel (2000) state three benefits of purposive sampling which are as following:

- Typical cases (those who are "normal" or "average" for those being studied).
- Extreme cases (those who represent unusual demonstration of the phenomenon of interest).
- Negative cases (those who are "exceptions to the rule").

In Structural equation modelling (SEM) studies, there have been different views found in literature regarding the number of respondents, but as a rule of thumb 10 respondents per scale item are used, but if multivariate normality assumption is violated, this number increases to 15 respondents (Heidt and Scott, 2007), in this study, number of subjects per predictor used were 14, leading to a sample size of 400.

Individuals were requested to spare some time and record their responses. They were told about the importance of this study and how their honest responses would help me achieve my research objectives. Data was collected from both male and female respondents because counterfeit products purchase intention has been successfully measured with such sample demographics in past (Zeashan et al., 2015; Taormina and Chong, 2010). Carpenter and Edwards (2013) conducted study among US consumers who have used counterfeit products and they collected data from both male, female and people belonging to different age categories and different professions.

##### 3.1.1 Sampling Error

Sampling errors can be classified into two categories. First is to sample such a group which does not represent population correctly and second error occurs when sample does not have variation and is too homogenous. First type of error puts the external validity of results in doubt while the second error leads to low power of test for finding any significant relationship among variables of interest. The variables under study included personality traits and behavioral dimensions. Historically, the research on such topics has been filled with issues such as common bias error which occurs by using same rater scales over time. To minimize such bias, it was optional for the respondents to disclose their identity or not and they were assured of full anonymity. This method supports the finding that self-reporting techniques are a better indicator for cognitive, non-observable personality traits and perceptions, whereas others' reporting techniques are better indicator of behavioral measures and observable personality traits (Hogan et al., 1996; Johnson, 1997). Researchers have supported above mentioned steps to overcome social desirability bias and common source issues (Podsakoff et al., 2003).

To overcome these issues, participants selected in this study had knowledge of counterfeit products and secondly participants were selected belonging to different sectors and demographic backgrounds to ensure variation in variables under study. Population was identified based on one homogenous characteristic which was that people who have used counterfeit product. Sampling frame for this study is based on the consumer's age, education level, and income level. A question was asked in the introduction portion of questionnaire whether respondents have had experience of using counterfeit product ever or not.

#### 3.2 Measures

All the variables in this study were measured along five point Likert scale ranging from Strongly Agree (1) to Strongly Disagree (5). The data was obtained through questionnaires adopted from previous studies. Purchase Intention was measured using four item scale given by Raza et al., (2014). Social Status was measured using five item scale developed by Eastman et al., (1999). Novelty Seeking was measured using four item scale given by Liao and Hsieh (2013). Integrity was measured by five item scales also given by Liao and Hsieh (2013). All the scales used in this study were unidimensional.



## 4. Results

### 4.1 Demographics

Table 1 shows that more than half (55.6%) of the total sample selected, had education of master's level, and the minimum requirement set for this study was bachelor level. This study had heterogeneous sample which is indicated by the (68.3%) male and (31.7%) female involved in this study. Large number of the respondents fell in the range of 20-40 years' age group (91.4%). Demographics show that people having salary greater than 30000 and education of Master's were in large number and showed positive response towards counterfeit products purchase intention. Problem identified in introduction section is backed up by demographics as well because most of the respondents lie in the range of 30 to 40 years' age group which show that these respondents are knowledgeable and know well what they are doing when they purchase counterfeit products.

### 4.2 Exploratory Factor Analysis

All the variables were analyzed one by one in SPSS. Items were analyzed using principal component method and factors were extracted through Varimax rotation. Purchase intention had four items and all four items loaded well and there were no cross loadings, it was due to the fact that only one component was extracted because only one component had Eigen value greater than 1. Therefore, no item was removed at this stage. Attitude had five items and after EFA it was found that couple of items had lower loadings but were acceptable and no cross loadings of items was found, as only one component was extracted. Hence, no item was dropped at this stage of attitude.

Social status was analyzed and all the items loaded pretty well and only one component was extracted on basis of Eigen value and there were no cross loadings. Integrity has five items and this was only variable which extracted two components, there were cross loadings but the values were not significant enough so the items with cross loadings were not deleted at this stage. According to Beavers et al., (2013) when cross loaded items are to be deleted minimum threshold should be 0.4 for large sample sizes. Novelty seeking items like other variables in this study loaded well and no item was deleted at this stage of analysis. All variable items were taken to next stage, which was 1<sup>st</sup> order confirmatory factor analysis.

### 4.3 Statistical Assumptions of SEM

#### 4.3.1 Normality

Before proceeding with further analysis, it is important to check normality of data. Techniques used to identify normality of data are Skewness and Kurtosis. The skewness values for the dataset lie between 0.391 to 0.553 while kurtosis values were between -0.837 to 0.546, hence this shows acceptable normality in the data. There are quite a few studies in which non normality of data does not cause issue due to large sample size, as according to Beavers et al., (2013) when sample size is around 300, non-normality of data does not cause concern; therefore, it can be said that even when data is not normally distributed one can proceed with parametric procedures. Table 2 shows that mean values of purchase intention, attitude, social status, and novelty seeking were 2.4, 2.5, 2.3, and 2.0 respectively while mean value of integrity was 1.4 and this value showed that mostly people responded in a similar way to this variable and the standard deviation value also shows this. Standard deviation values of other variables are also quite low which shows that most of the responses have been around the mean values and there were not varied responses. Respondents have agreed to questions of social status, novelty seeking, attitude and purchase intention due to this mean value for these variables lie between 2-2.5.

#### 4.3.2 Reliability and Validity

Reliability was measured through Cronbach's Alpha which was 0.823 for the complete questionnaire (23 items). Validity was checked through Average variance extracted (AVE) and Average shared variance (ASV) as shown in Table 3. According to Hair et al., 2010, AVE should be greater than 0.5 to show convergent validity and ASV should be less than AVE to prove discriminant validity. Results showed good convergent and discriminant validity.

#### 4.3.3 Correlation

It is necessary that variables show correlation in order to have relationship when running analysis but if that correlation exceeds its limit it means that different variables predict same type of variance in dependent variable and such information is of no use. Multicollinearity means existence of strong correlation among independent variables. Higher the relationship among variables, greater will be multicollinearity and it leads to statistical issues and ultimately causes concerns in the final model (Kline, 2005). If the two variables have exactly the same information this leads to perfect multicollinearity, it can be checked by collinearity diagnostic. Variance inflation factor (VIF) in multicollinearity diagnostic provides clear picture regarding existence of multicollinearity. This study was free from such multicollinearity issues. Correlation values are presented in Table 4.

### 4.4 Hypothesis Testing

Results show that only social status and novelty seeking had significant impact on dependent variable through

mediator, while on the other hand integrity and perceived risk did not show significant relationship with purchase intention. Results are shown based on confidence intervals (CI) because bootstrapping was used as a technique for mediation analysis. Confidence level was set at 95% with significance level being 0.05. Bootstrapping estimates are useful to counter any sort of multivariate normality issues in the data as it is a resampling technique and runs the model several times to estimate the results.

#### 4.4.1 Analysis of Hypotheses Testing

##### 4.4.1.1 Social Status and Purchase Intention of Counterfeit Product

Standardized estimates showed that there exists a significant positive relationship between social status and purchase intention with value of 0.956. This means social status has strong positive relationship with purchase intention of counterfeit products. The relationship between SS and ATC showed that SS is significantly and positively related to ATC (0.870), which means that people who want product for social status fulfillment they develop a positive attitude towards counterfeit product. Confidence interval showed that direct relationship could not be established between social status and purchase intention. Confidence interval showed that standardized value for mediating effect of social status was significant because interval was spread across the positive side and social status showed the positive impact on purchase intention.

##### 4.4.1.2 Integrity and Purchase Intention of Counterfeit Product

Integrity was found to have insignificant relationships at all levels because its confidence intervals were falling on both positive and negative ends which makes the results insignificant. People who think of their integrity do not develop positive purchase intention for counterfeit products. An insignificant relationship between integrity and attitude towards counterfeit product was found. Indirect relationship was not found as standardized effect were not significant and were not in confidence interval range.

##### 4.4.1.3 Novelty Seeking and Purchase Intention of Counterfeit Product

Novelty Seeking (NS) had significant positive relationship with purchase intention of counterfeit product which means that people who look for newer things develop intention to purchase counterfeit products. Novelty seeking and Attitude towards counterfeit product also showed significant positive relationship as in previous instance of Purchase intention, this leads to test the mediation effect of attitude towards counterfeit between NS and PI. Sample statistics for novelty seeking showed that it could predict population parameter significantly through its indirect effect on purchase intention because standardized estimate is well within the range of confidence interval.

##### 4.4.1.4 Attitude towards Counterfeit Product and Purchase Intention of Counterfeit Product

This relationship between Attitude towards Counterfeit and Purchase Intention was strongest among all, which means people who evaluate the counterfeit products positively develop positive purchase intention towards counterfeit product. Standardized estimate was close to upper range of confidence interval but was within the significance level as the interval did not change the effect sign and it significantly showed positive impact of attitude on purchase intention.

## 5. Discussion and Findings

The primary objective of this research was to identify the effect of three predictor variables which were social status, integrity, and novelty seeking on purchase intention of counterfeit products, along with a mediating role of attitude towards counterfeit products. Model used here was adapted from exploratory study of Shafique et al., (2015). The study also included prepositions such as social status and integrity possess negative relationship with attitude while novelty seeking has positive relationship with attitude, and attitude towards counterfeit possess positive relationship with purchase intention of counterfeit.

Results of this study supported couple of prepositions presented in base paper while other were not supported. Social status and novelty seeking were found to have significant positive relationship with attitude towards counterfeit product and purchase intention of counterfeit products. These results are in accordance with the results present in literature, people who want to achieve higher social status develop positive attitude towards counterfeit products which leads to purchase intention as well (Rahpeima et al., 2014). Integrity was found to have insignificant negative relationship with purchase intention of counterfeit product which means that people who are high on integrity levels show less complicity towards counterfeit products and this result was also consistent with studies conducted earlier regarding integrity of an individual when evaluating counterfeit product's purchase (Phau et al., 2009; Chaudhry and Stumpf, 2011). People who have high integrity level, never think of purchasing counterfeit products in their mind and this is why they do not develop any attitude towards them as attitude involves cognition process. This is the reason why mediation for integrity was rejected in the results. Attitude towards counterfeit products which was used as a mediator in this study showed significant positive relationship with purchase intention of counterfeit products and this result has been well supported in the past by number of studies (Chaudary et al., 2014; Raza et al., 2014). This shows that if customer evaluate counterfeit products positively based on different factors (social status, novelty seeking) then there is high probability that they develop strong purchase intention for counterfeit products.

## 6. Academic Implications

This study adds important relationship into literature and the emerging topic of counterfeit products demand is gaining more attention from researchers. This research was conducted in under developed country, Pakistan and this enhances conception of why people purchase counterfeit products in developed countries. This study will provide guidance to individuals who want to pursue their research in this area under the context of developing countries. There are couple of contributions this study makes towards marketing field which makes this study important as well. First contribution is that this study advocates the ‘theory of reasoned action’ through its findings that counterfeit purchase is a voluntary behavior and people have control over their actions once they develop an attitude. The second contribution is made by revising the variables under study in Pakistani context and providing a different picture with novel results. These two are considered as contributions in marketing field according to MacInnis (2011).

## 7. Managerial Implications

This research has important insights for managers and original product manufacturers. By looking at the results they can know which variables urge people to buy counterfeit products and they can work on them accordingly

Some of the managerial implications are discussed below:

- According to this study, managers should create products that emphasize on factors such as social status of people. As this study showed, people develop intention for counterfeit products if they feel their status will be increased.
- In a country like Pakistan, companies need to work closely with law enforcement agencies and government officials to hinder this counterfeiting activity.
- Companies need to educate consumers through effective promotion regarding the counterfeits and also improve on their own products to bring customers back.
- Genuine product manufacturers should focus on different factors such as style, design and quality to differentiate their products from counterfeits.
- Since the consumers are concerned about how other people think of them when they purchase counterfeit products, the marketers should address counterfeiting issue in their advertising programs.
- Emphasizing the importance of buying “the real thing” and using celebrity endorsers more in their advertisements.

## 8. Limitations and Future Research Directions

- This study involved few constructs to measure purchase intention of counterfeit products.
- Counterfeit consumption is a non-normative consumer behavior so there is possibility that the consumers might not have responded truly to the items raised in the questionnaire.
- Focus of this study was only luxury product category i.e. clothing.
- Data was collected from Multan city only.
- Scales used in this study were unidimensional, future researchers can focus on scales that have more dimensions or items.

Due to time constraint scope of this study is limited and there are number of things that have not been studied and should be studied in future by other researchers in this field. Following are few future recommendations:

- Other social and personality factors should be added in the framework and studied with various other product categories.
- Future research should focus on another important dimension of consumer behavior which is post purchase behavior which will explain that whether the consumer’s will buy counterfeit products again or not.
- A comparative study should be conducted with different sample and sample size to see difference in results with same framework.
- Longitudinal analysis can be conducted by collecting data from consumers more than once at different times and then analyze whether there is repeated purchase of counterfeit products or not.

## 9. Conclusion

It’s been a long while that counterfeit production and supply has been under investigation and the people or institutes have been looking to find ways of overcoming this activity. But it is only recently that researchers have shifted their focus to a new dimension that is if counterfeit products are being produced in large number then it means there exist a large demand as well. This study was based on this dimension that why people purchase or demand counterfeit products. For this purpose, a model was adapted which had three independent variables namely social status, integrity, novelty seeking along with a mediator named attitude towards counterfeit products and a dependent variable of purchase intention of counterfeit products.

To produce results that provide vital information, extensive literature has been presented that supports this study and gives sound base. On the other hand, effective analysis techniques have been discussed in methodology section to increase the validity of this study. This study concluded that social status and novelty seeking had strong relationships with purchase intention of counterfeit products. Integrity didn't show any significant relationship with purchase intention. Attitude towards counterfeit had strong positive relationship with purchase intention of counterfeit. Conceptual framework in this study was adapted from exploratory study of Shafique et al., (2015) and this study tested the prepositions given in that study and also explored other relationships.

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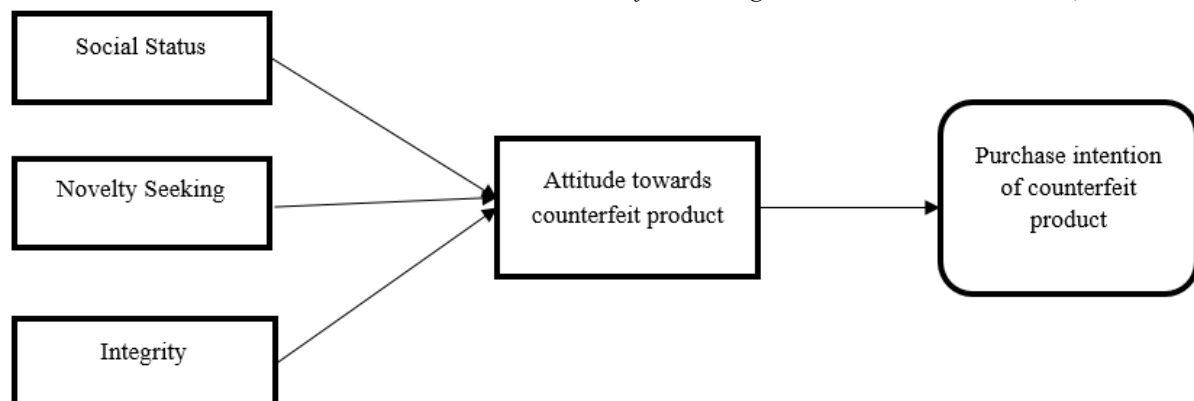


Figure 1: Theoretical Model

Table 1: Respondents Demographic Profile

Variable	Category	Frequency	Percent
Gender	Male	263	68.3
	Female	122	31.7
Age	20-30	111	28.8
	30-40	241	62.6
	40-50	30	7.8
	50 and above	3	0.8
Salary	10000-20000	29	7.5
	20000-30000	99	25.7
	30000 and above	257	66.8
Education	PhD	4	1.0
	MS/MPhil	67	17.4
	Masters	214	55.6
	Bachelors	100	26.0

**Table 2: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Purchase Intention	385	1.00	5.00	2.4786	.64979	.483	.124	.259	.248
Attitude	385	1.40	4.00	2.5330	.50268	.459	.124	.546	.248
Social Status	385	1.20	4.00	2.3512	.61822	.441	.124	.266	.248
Integrity	385	1.00	3.00	1.4260	.36650	.553	.124	-.837	.248
Novelty Seeking	385	1.00	4.00	2.0578	.53254	.391	.124	.277	.248

**Table 3: Construct Validity**

	CR	AVE	ASV
Intention	0.903	0.758	0.388
Status	0.858	0.602	0.432
Integrity	0.850	0.750	0.014
Novelty Seeking	0.759	0.513	0.168
Attitude	0.830	0.619	0.470

**Table 4: Correlation Table**

	PI	ATC	SS	NS	INT
PI	1				
ATC	.768**	1			
SS	.719**	.755**	1		
NS	.439**	.365**	.378**	1	
INT	.019	.042	.009	.059	1

\*\* Significant at 0.01 level

**Table 5: Hypotheses Results**

Causal Path	Std Regression Weights with Confidence Intervals	Hypotheses	Supported
SS→PI	0.268 (95% CI: -0.175 ~ 1.000)	H1	Rejected
SS→ATC	0.870* (95% CI: 0.795 ~ 0.933)	H1a	Supported
SS→ATC→PI	0.956* (95% CI: 0.529 ~ 1.000)	H1b	Supported (Full Mediation)
INT→PI	-0.090 (95% CI: -0.220 ~ 0.012)	H2	Rejected
INT→ATC	0.065 (95% CI: -0.016 ~ 0.149)	H2a	Rejected
INT→ATC→PI	-0.071 (95% CI: -0.017 ~ 0.217)	H2b	Rejected
NS→PI	0.016 (95% CI: -0.155 ~ 0.151)	H3	Rejected
NS→ATC	0.140* (95% CI: 0.043 ~ 0.232)	H3a	Supported
NS→ATC→PI	0.154* (95% CI: 0.042 ~ 0.341)	H3b	Supported (Full Mediation)
ATC→PI	0.959* (95% CI: 0.624 ~ 1.000)	H5	Supported
Goodness of fit indices			
Chi-square = 2.24; p< 0.001; CFI = 0.960; GFI = 0.922; AGFI = 0.891; RMR = 0.022; RMSEA = 0.057			

\* p<.01